

# *Tax Classification Hearing Fiscal Year 2016*

**November 30, 2015**

**Presented to  
Board of Selectmen  
Town of Wellesley**

**Prepared By:  
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Donna McCabe, AAS, Chief Assessor**

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# *Notice of Hearing*

The Board of Selectmen of the Town of Wellesley will hold a Public Hearing on Monday, November 30, 2015 at 7:15 P.M. in the Felix Juliani Meeting Room, Town Hall, on the issue of allocating the local property tax levy among the five property classes for the fiscal year ending June 30, 2016.

This Hearing, commonly known as the Tax Classification Hearing, will be held for the purpose of providing an open forum for the discussion of local property tax policy. The central issue to be discussed is whether all five classes of property - residential, open space, commercial, industrial, personal - shall be taxed at the same rate or at different rates.

Information and data concerning the fiscal effect will be available for public inspection on Friday, November 27, 2015 in the office of the Board of Assessors at Town Hall, 525 Washington Street, Wellesley, Massachusetts 02482 between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. Interested taxpayers are urged to review the material and attend the Hearing. Written and oral statements from interested taxpayers will be accepted and taken into consideration at the Hearing. Written statements will also be accepted prior to the Hearing.

## **BOARD OF SELECTMEN**

**David L. Murphy, Chairman**

**Marjorie Freiman, Vice Chairman**

**Ellen F. Gibbs, Secretary**

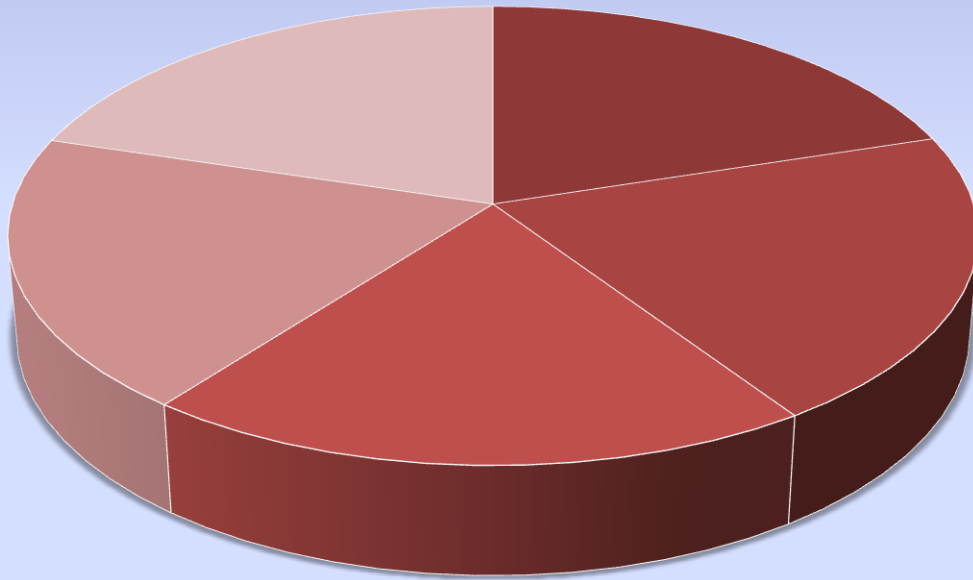
**Barbara D. Searle**

**Jack Morgan**





# *Fiscal Year 2016 Assessed Values & Historical Perspective*

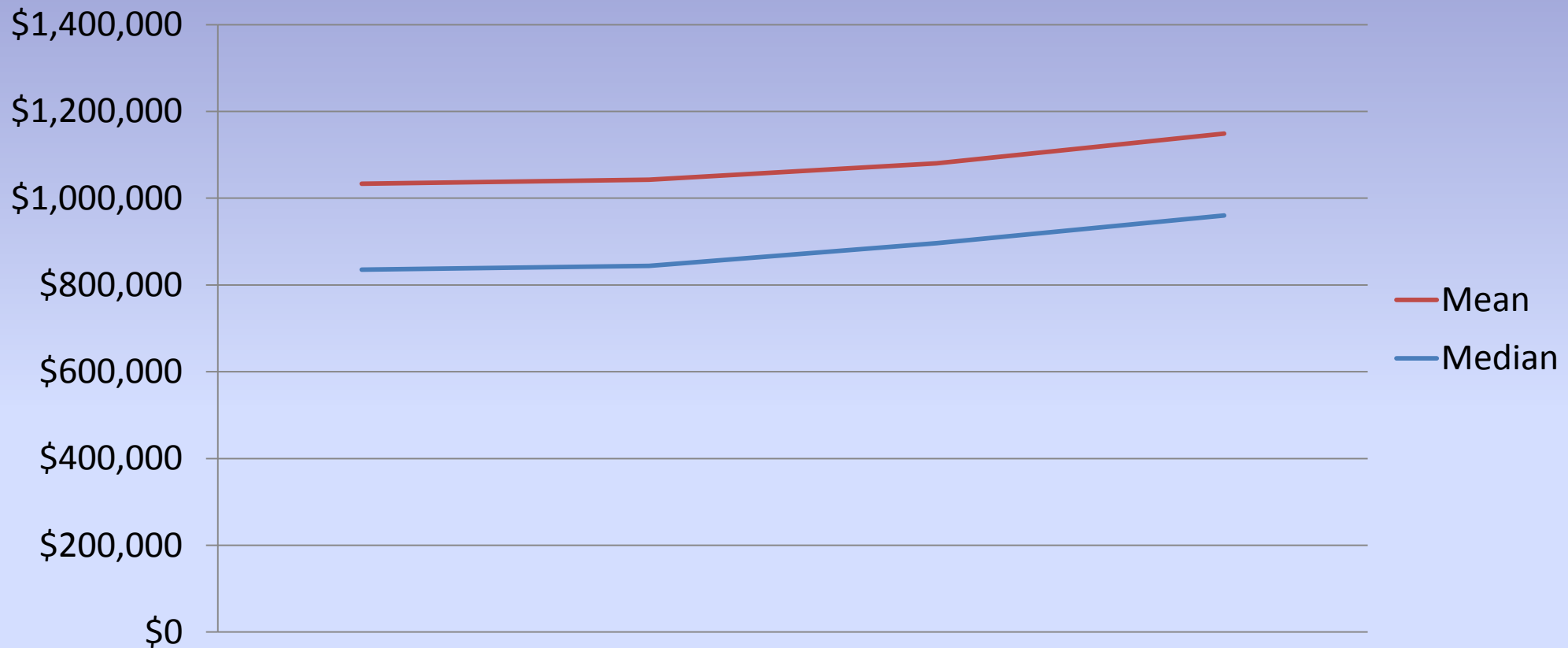


# Assessment Profile

MEDIANS & MEANS	FY2012	2011 to 2012	FY2013	2012 to 2013	FY2014	2013 to 2014	FY2015	2014 to 2015	FY2016	2015 to 2016	2012 to 2016
<b>SINGLE FAMILY (Class 101)</b>											
Total Value	\$7,523,162,000	5%	\$7,601,628,000	1%	\$7,872,685,000	4%	\$8,411,498,000	7%	\$8,618,906,000	2%	15%
Median Assessment	\$835,000	6%	\$844,000	1%	\$896,000	6%	\$960,000	7%	\$991,000	3%	19%
Median Tax Bill	\$9,586	7%	\$9,875	3%	\$10,340	5%	\$11,098	7%	\$11,724	6%	22%
Mean Assessment	\$1,033,134	5%	\$1,042,604	1%	\$1,080,522	4%	\$1,148,824	6%	\$1,180,993	3%	14%
Mean Tax Bill	\$11,860	5%	\$12,198	3%	\$12,469	2%	\$13,280	7%	\$13,971	5%	18%
<b>COMMERCIAL (Class 300's)</b>											
Total Value	\$880,055,000	2%	\$947,077,000	8%	\$1,026,450,000	8%	\$1,098,966,000	7%	\$1,197,223,000	9%	36%
Median Assessment	\$1,841,000	2%	\$2,052,000	11%	\$2,278,000	11%	\$2,494,000	9%	\$2,570,000	3%	40%
Median Tax Bill	\$21,135	2%	\$24,008	14%	\$26,288	9%	\$28,831	10%	\$30,403	5%	44%
Mean Assessment	\$4,356,708	4%	\$4,688,500	8%	\$5,106,716	9%	\$5,467,493	7%	\$5,986,115	9%	37%
Mean Tax Bill	\$49,797	4%	\$54,855	10%	\$58,932	7%	\$63,204	7%	\$70,816	12%	42%
<b>TAX RATE</b>	<b>\$11.48</b>		<b>\$11.70</b>		<b>\$11.54</b>		<b>\$11.56</b>		<b>\$11.83</b>		

# Median vs. Mean

## Single Family Assessed Value History



	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
MEAN	\$1,033,134	\$1,042,604	\$1,080,522	\$1,148,824	\$1,180,993
MEDIAN	\$835,000	\$844,000	\$896,000	\$960,000	\$991,000

# Assessment / Tax Rate History

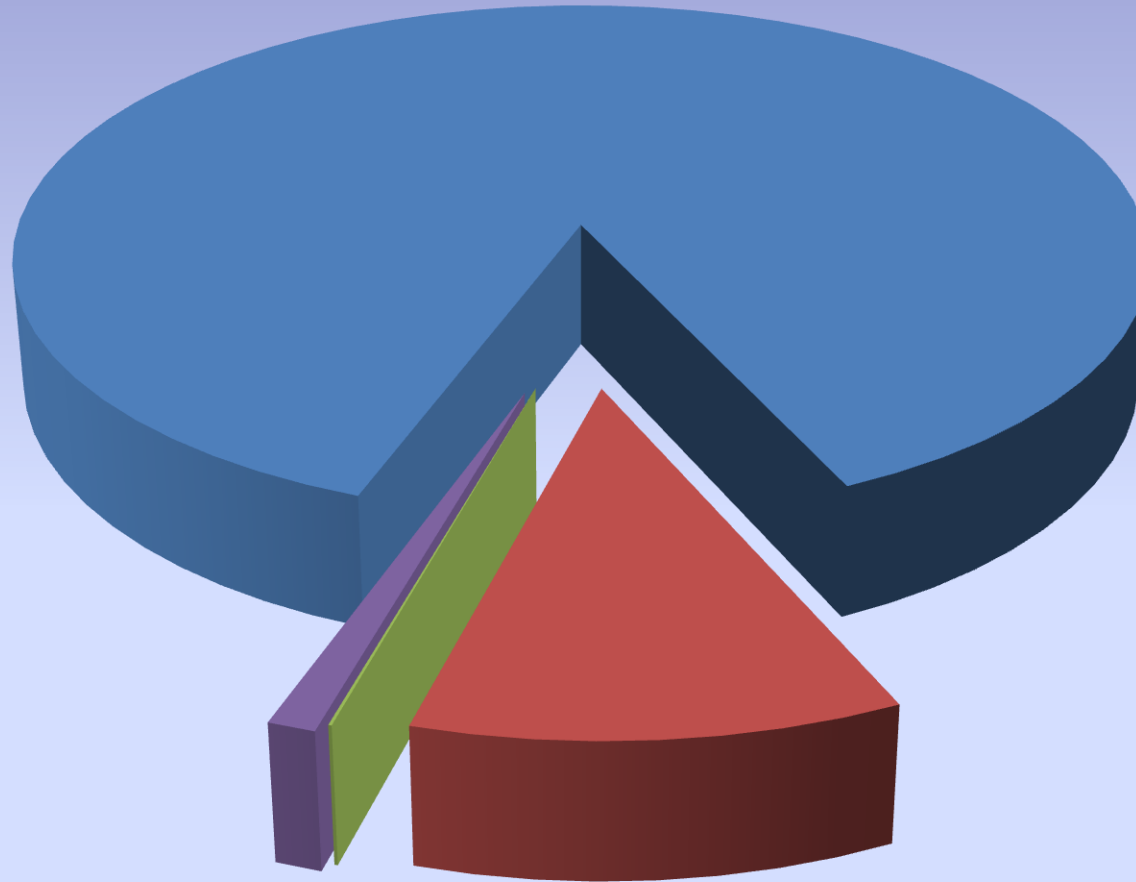
FY	ASSESSED VALUE (in 000's)			Tax Levy (in 000's)	LEVY %		NEW GROWTH TAX DOLLARS (in 000's)	TAX RATE	MEDIAN ASSESSED (in 000's)		MEDIAN TAXES*	
	RES	CIP	TOTAL		RES %	CIP %			Single Family	Comm.	Single Family	Comm.
12	8,125,029	1,024,613	9,149,642	105,047	88.80%	11.20%	1,523	11.48	835	1,841	9,586	21,135
13	8,234,182	1,121,425	9,355,607	109,461	88.01%	11.99%	1,882	11.70	844	2,052	9,875	24,008
14	8,550,806	1,204,329	9,755,135	112,581	87.65%	12.35%	1,575	11.54	896	2,278	10,340	26,288
15	9,116,045	1,271,768	10,387,813	120,096	87.76%	12.24%	1,846	11.56	960	2,494	11,098	28,831
16	9,382,323	1,392,156	10,774,479	127,562	87.08%	12.92%	1,693	11.83	991	2,570	11,724	30,403

\* Calculated based on a single tax rate

RES - residential property class, including condominiums and apartment buildings

CIP - commercial, industrial and personal property classes

# Total Values by Property Type



Residential	Commercial	Industrial	Personal Property
\$9,382,323,000	\$1,269,582,000	\$8,380,000	\$114,194,000



# Fiscal Year 2016

## Total Values By Property Type

*in 000's of assessed value*

PROPERTY TYPE	PARCEL COUNT	RESIDENTIAL VALUE	COMMERCIAL VALUE	INDUSTRIAL VALUE	PERSONAL PROPERTY VALUE
Single Family	7,298	\$8,618,906			
Condominiums	508	\$314,043			
Multiple Houses On Lot	26	\$44,819			
Two Family	105	\$90,256			
Three Family	20	\$18,318			
Apartments (4+ units)	32	\$120,885			
Vacant Land	251	\$122,748			
Commercial	200		\$1,197,223		
Chapter Lands	17		\$10,890		
Mixed Use-Res & Comm	19	\$52,348	\$61,469		
Industrial	3			\$8,380	
PP-individuals/partnership	440				\$29,031
PP-corporations	383				\$37,098
PP-utilities	17				\$48,065
Class Totals	9,319	\$9,382,323	\$1,269,582	\$8,380	\$114,194
Total Value All Taxable Properties:			\$10,774,479		

PP - personal property

# Personal Exemptions

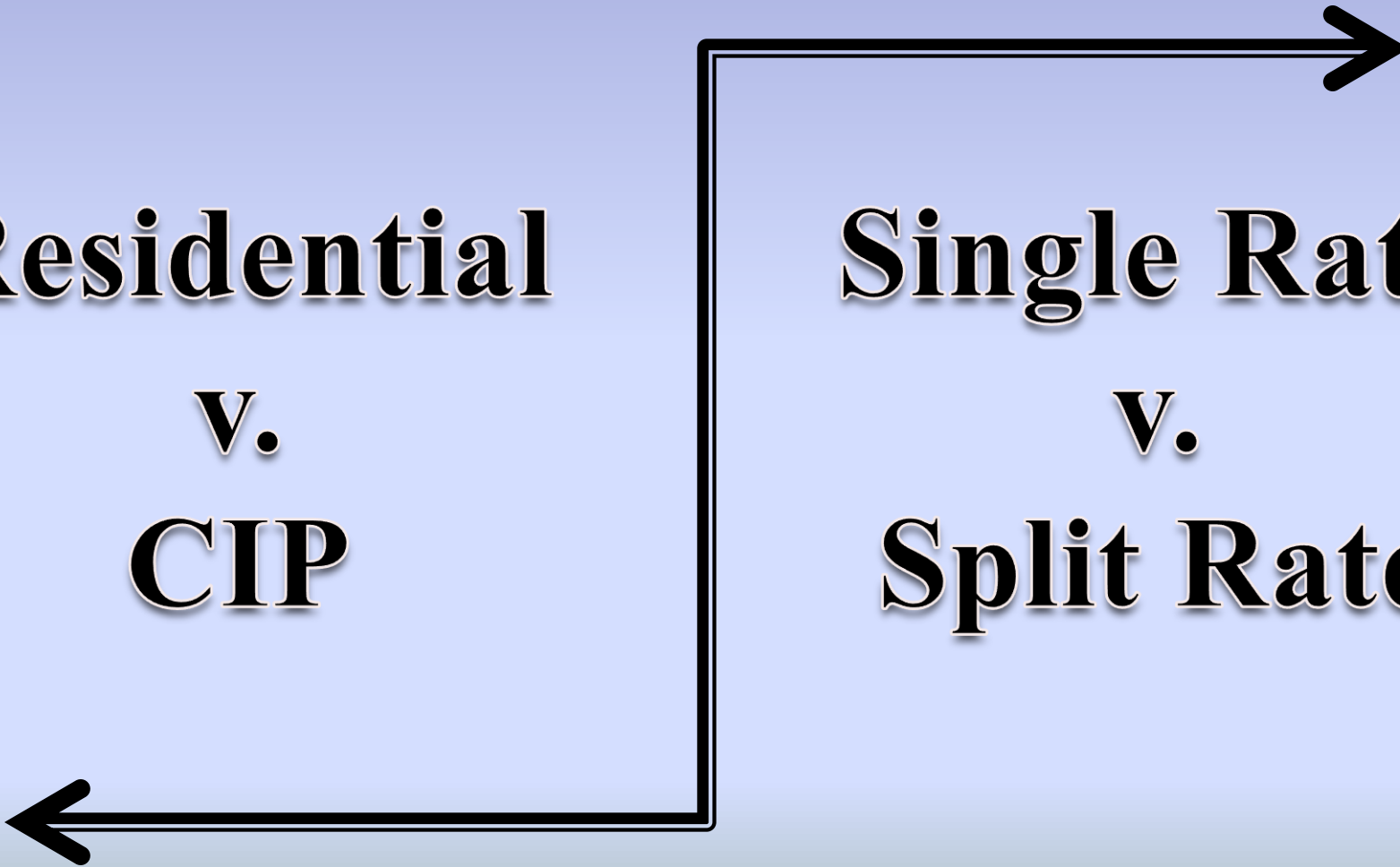
<b>Fiscal Year</b>	<b>Disabled Veteran Exemption</b>	<b>Blind Exemption</b>	<b>Senior Exemption</b>	<b>Senior Tax Deferral</b>	<b>Senior Work-Off</b>	<b>Low Income CPA Exemption</b>
<b>2011</b>	<b>84</b>	<b>19</b>	<b>41</b>	<b>42</b>	<b>20</b>	<b>69</b>
<b>2012</b>	<b>81</b>	<b>19</b>	<b>38</b>	<b>40</b>	<b>16</b>	<b>79</b>
<b>2013</b>	<b>70</b>	<b>20</b>	<b>36</b>	<b>38</b>	<b>16</b>	<b>73</b>
<b>2014</b>	<b>67</b>	<b>20</b>	<b>34</b>	<b>32</b>	<b>12</b>	<b>73</b>
<b>2015</b>	<b>60</b>	<b>23</b>	<b>20</b>	<b>24</b>	<b>13</b>	<b>59</b>



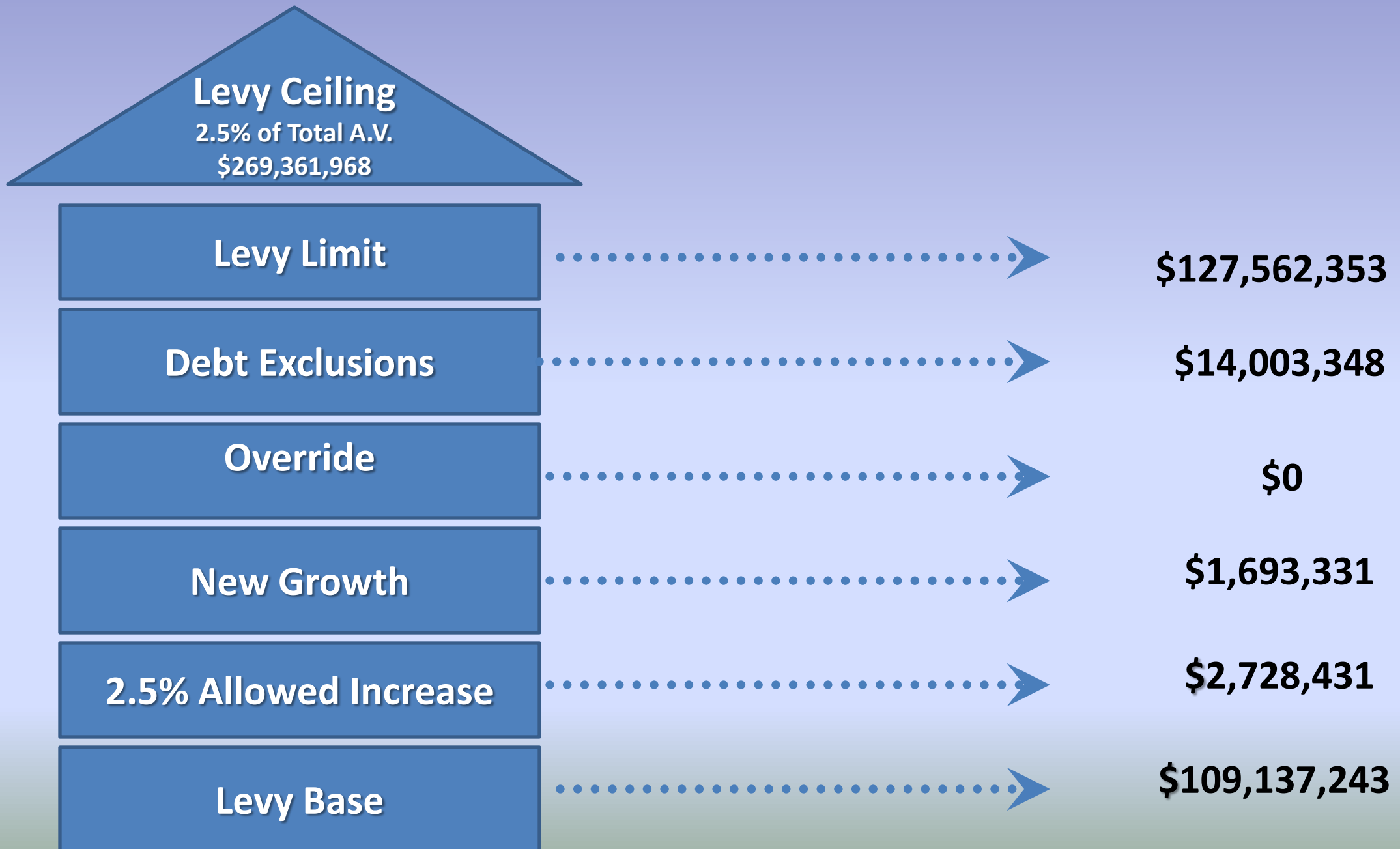
# *Tax Classification Options*

**Residential  
v.  
CIP**

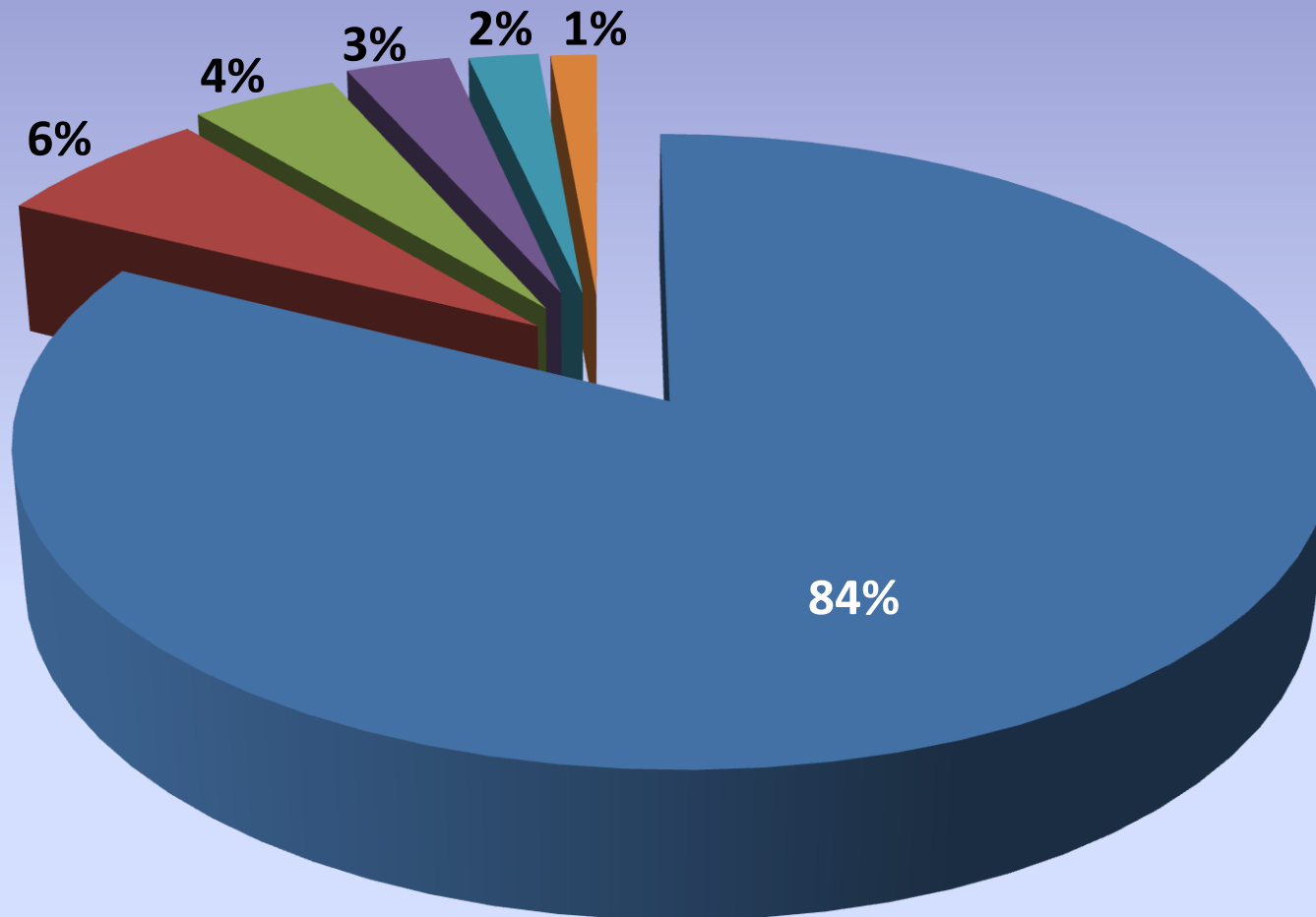
**Single Rate  
v.  
Split Rate**



# Levy Limit/Levy Ceiling



# Revenue Sources



Property Taxes	State Aid	Local Revenue	MV Excise Tax	Free Cash	Other Sources
\$127,462,074	\$9,206,155	\$6,234,000	\$4,650,000	\$2,624,169	\$2,469,962



# Fiscal Year 2016 Tax Rate Calculation

## Assuming a Single Tax Rate

Tax Levy Limit Base Prior Year (FY2015)		\$109,137,243	\$10.13
Additions To FY2015 Levy Limit:			
2.5 % Levy Growth	\$2,728,431		\$0.25
New Growth in Tax Dollars	\$1,693,331		\$0.16
Override	\$0		\$0.00
FY2016 Levy Limit (Before Debt Exclusions)		\$113,559,005	\$10.54
Amounts Outside Levy Limit (Debt Exclusion):			
Capital Expenditure-OPEB	\$1,200,000		\$0.11
Elementary School	\$2,562,207		\$0.24
Middle School	\$3,041,426		\$0.28
High School	\$5,293,710		\$0.49
Morses Pond, Stormwater, DPW bldg	\$461,692		\$0.04
North 40 Acquisition	\$1,444,313		\$0.13
Total Debt Exclusions		\$14,003,348	\$1.29
Tax Levy Limit Plus Debt Exclusion		\$127,562,353	\$11.83
FY2016 Tax Levy		\$127,562,353	Tax Rate
FY2016 Total Assessed Value		\$10,774,478,700	\$11.83 / \$1,000

# Summary Of Tax Rate Options

*Chart shows impact of split tax rate on two major classes of properties*

Tax Factor		Percentage of Tax Levy		Tax Rate		Median Taxes	
Commercial	Residential	Commercial	Residential	Commercial	Residential	Commercial	Residential
1.000	1.000	12.92%	87.08%	\$11.83	\$11.83	\$30,403	\$11,724
1.100	0.986	14.21%	85.79%	\$13.01	\$11.67	\$33,436	\$11,565
1.200	0.972	15.50%	84.50%	\$14.20	\$11.50	\$36,494	\$11,397
1.300	0.958	16.80%	83.20%	\$15.38	\$11.33	\$39,527	\$11,228
1.400	0.944	18.09%	81.91%	\$16.56	\$11.17	\$42,559	\$11,067
1.500	0.930	19.38%	80.62%	\$17.75	\$11.00	\$45,618	\$10,901

MAXIMUM SHIFT OF 50% DECREASE TO THE MEDIAN SINGLE FAMILY TAX BILL:

**(\$823)**

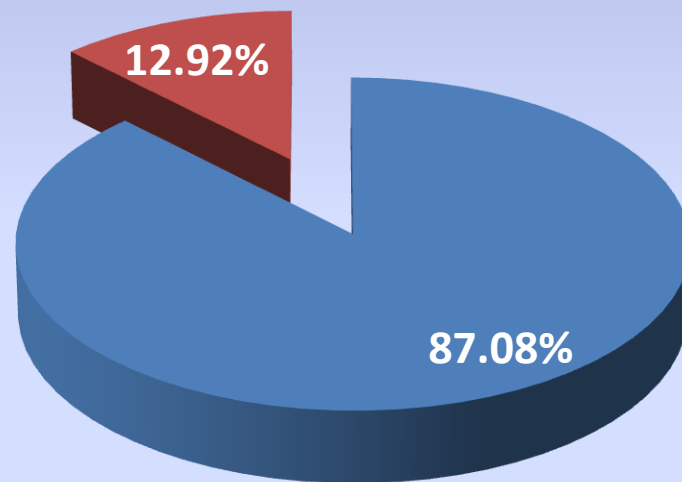
MAXIMUM SHIFT OF 50% INCREASE TO THE MEDIAN COMMERCIAL TAX BILL:

**\$15,216**

\*Based on a median single family assessed value of \$991,000 and a median commercial assessed value of \$2,570,000

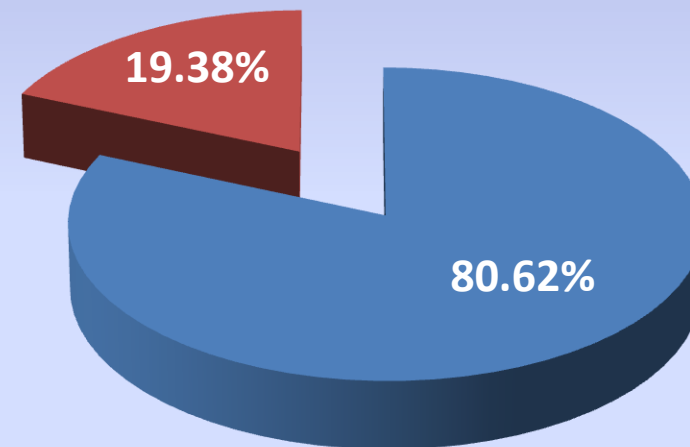
# Fiscal Year 2016 Relative Share of Tax Levy

**Share of Tax Levy  
With Single Tax Rate**



■ Residential ■ CIP

**Share of Tax Levy With  
Split Tax Rate at  
Maximum Allowed**



■ Residential ■ CIP

# Comparison with Selected Towns



# FY2015 Tax Comparison

Town	Mean Single Family Value	Res. Tax Rate	Mean Single Family Tax Bill	Mean Comm. Value	Comm. Tax Rate	Mean Comm. Tax Bill	CIP % of Value	Adopted CIP Factor	If Single Rate
Belmont	\$847,928	\$12.90	\$10,938	\$1,395,469	\$12.90	\$18,002	5.60	1.00	\$12.90
Concord	\$902,043	\$14.29	\$12,890	\$1,016,625	\$14.29	\$14,528	9.00	1.00	\$14.29
Lexington	\$820,366	<u>\$14.86</u>	\$12,191	\$1,585,747	<u>\$29.10</u>	\$46,145	12.40	<u>1.75</u>	\$16.63
Natick	\$479,759	\$13.82	\$6,630	\$2,376,518	\$13.82	\$32,843	22.60	1.00	\$13.82
Needham	\$818,436	<u>\$11.29</u>	\$9,240	\$2,181,664	<u>\$22.43</u>	\$48,935	13.70	<u>1.75</u>	\$12.82
Sudbury	\$658,974	<u>\$17.60</u>	\$11,598	\$620,246	<u>\$24.88</u>	\$15,432	6.40	<u>1.38</u>	\$18.03
Wayland	\$655,211	\$18.39	\$12,049	\$898,138	\$18.39	\$16,517	5.10	1.00	\$18.39
<b>WELLESLEY</b>	<b>\$1,152,734</b>	<b>\$11.56</b>	<b>\$13,326</b>	<b>\$5,467,493</b>	<b>\$11.56</b>	<b>\$63,204</b>	<b>12.20</b>	<b>1.00</b>	<b>\$11.56</b>
Weston	\$1,470,602	\$12.28	\$18,059	\$2,447,964	\$12.28	\$30,061	4.60	1.00	\$12.28
*Winchester	\$872,118	\$12.14	\$10,588	\$1,108,798	\$11.40	\$12,640	5.00	1.00	\$11.35

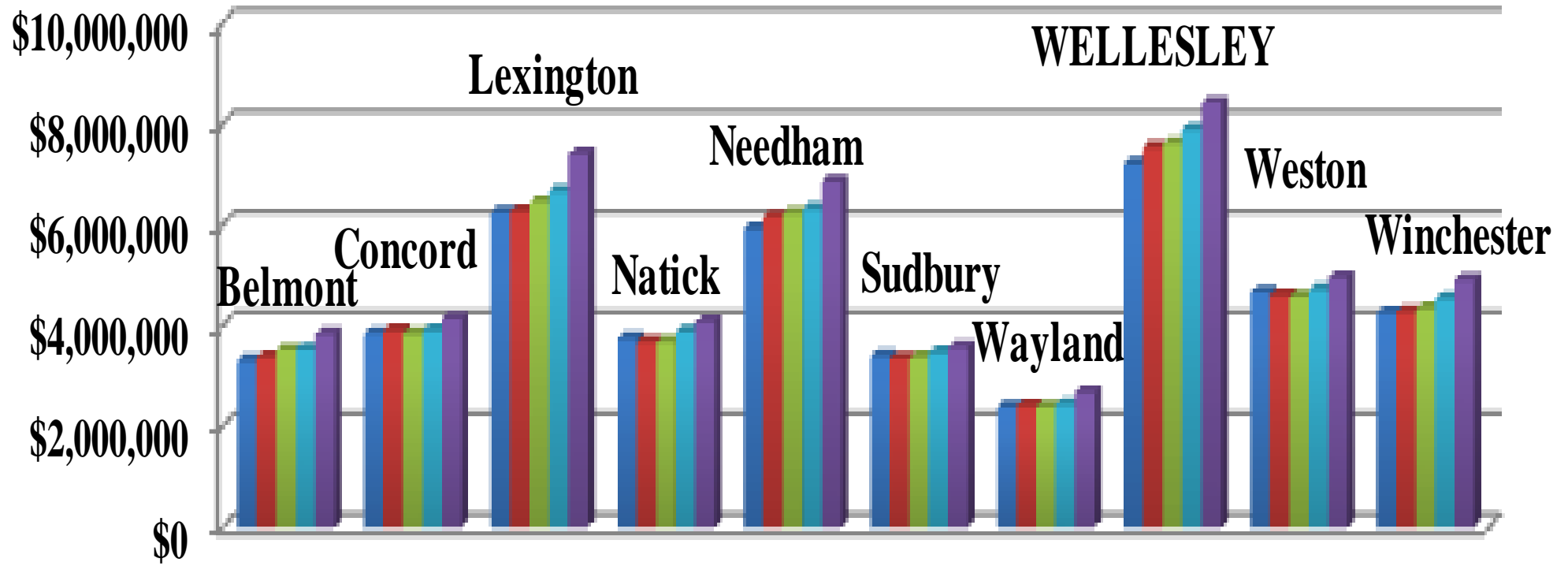
CIP = commercial, industrial, and personal property

\*Winchester has a lower commercial tax rate because they adjust for the higher commercial water fee in their tax rate.



# Total Single Family Values

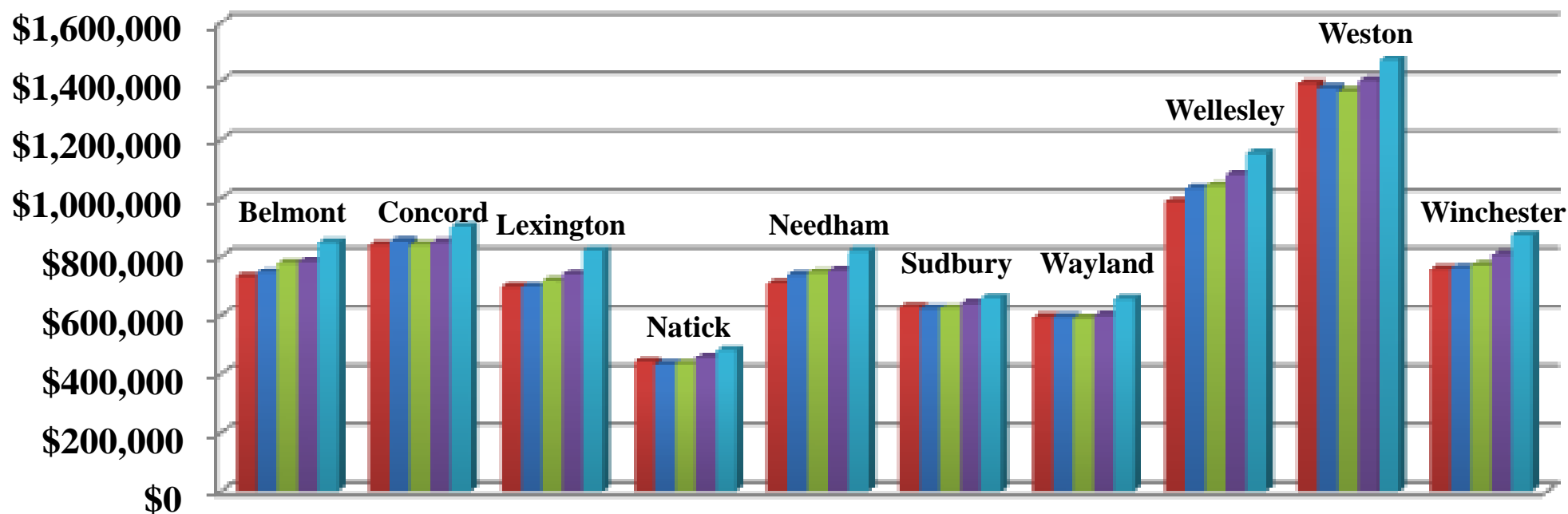
Total Single Family Values in 000's



	<u>Belmont</u>	<u>Concord</u>	<u>Lexington</u>	<u>Natick</u>	<u>Needham</u>	<u>Sudbury</u>	<u>Wayland</u>	<u>WELLESLEY</u>	<u>Weston</u>	<u>Winchester</u>
<u>FY11</u>	\$3,302,706	\$3,836,829	\$6,234,563	\$3,735,204	\$5,910,589	\$3,386,110	\$2,390,269	<b>\$7,189,824</b>	\$4,648,963	\$4,241,691
<u>FY12</u>	\$3,371,240	\$3,889,030	\$6,251,243	\$3,665,889	\$6,158,330	\$3,346,911	\$2,394,144	<b>\$7,523,162</b>	\$4,597,141	\$4,267,720
<u>FY13</u>	\$3,509,384	\$3,831,655	\$6,441,950	\$3,676,320	\$6,221,014	\$3,357,225	\$2,377,661	<b>\$7,601,628</b>	\$4,571,266	\$4,321,485
<u>FY14</u>	\$3,528,255	\$3,891,706	\$6,658,875	\$3,862,863	\$6,298,268	\$3,455,526	\$2,426,448	<b>\$7,872,685</b>	\$4,695,448	\$4,521,030
<u>FY15</u>	\$3,824,155	\$4,136,771	\$7,385,759	\$4,067,880	\$6,851,945	\$3,557,802	\$2,661,465	<b>\$8,411,498</b>	\$4,947,104	\$4,901,301

# Mean Single Family Values

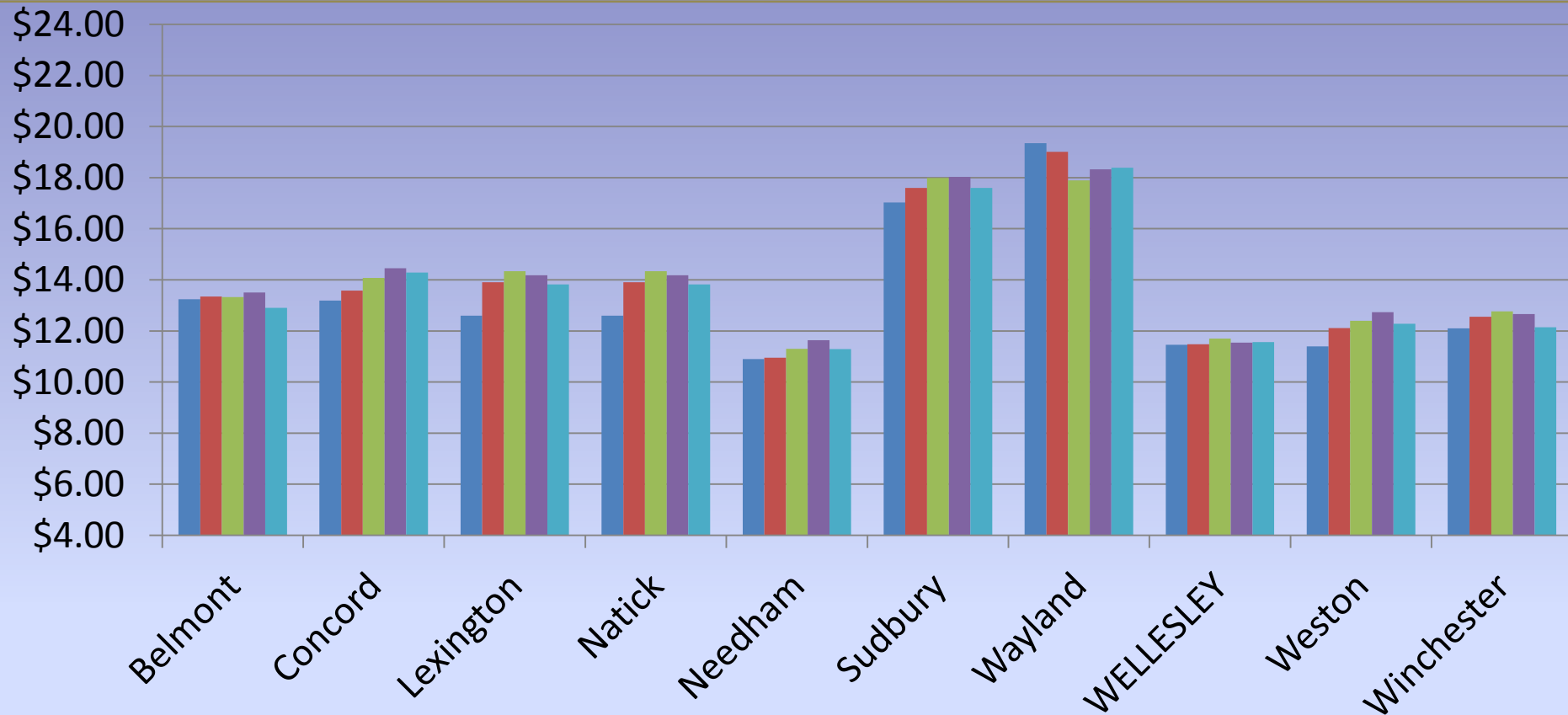
Mean Single Family Values



	<u>Belmont</u>	<u>Concord</u>	<u>Lexington</u>	<u>Natick</u>	<u>Needham</u>	<u>Sudbury</u>	<u>Wayland</u>	<u>WELLESLEY</u>	<u>Weston</u>	<u>Winchester</u>
<u>FY11</u>	\$730,849	\$839,569	\$696,677	\$441,357	\$708,194	\$627,988	\$592,825	<b>\$987,071</b>	\$1,390,240	\$757,580
<u>FY12</u>	\$746,345	\$851,550	\$697,450	\$432,400	\$737,436	\$621,410	\$593,050	<b>\$1,033,134</b>	\$1,374,332	\$761,549
<u>FY13</u>	\$777,100	\$838,804	\$717,526	\$433,477	\$744,764	\$622,862	\$588,530	<b>\$1,042,604</b>	\$1,364,557	\$770,456
<u>FY14</u>	\$782,665	\$847,682	\$740,204	\$455,473	\$753,021	\$640,277	\$598,679	<b>\$1,080,522</b>	\$1,400,790	\$805,313
<u>FY15</u>	\$847,928	\$902,043	\$820,366	\$479,759	\$818,436	\$658,974	\$655,211	<b>\$1,152,734</b>	\$1,470,602	\$872,118

# Residential Tax Rate History

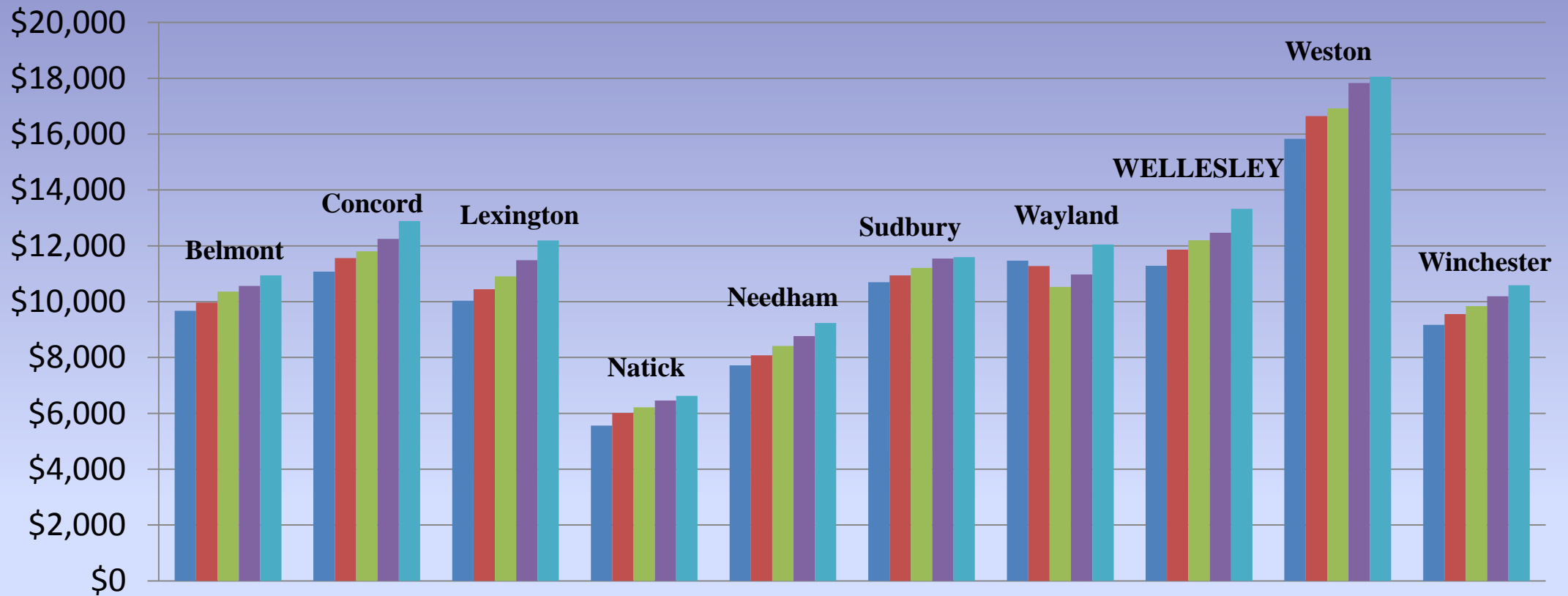
Residential Tax Rate



	<u>Belmont</u>	<u>Concord</u>	<u>Lexington</u>	<u>Natick</u>	<u>Needham</u>	<u>Sudbury</u>	<u>Wayland</u>	<u>WELLESLEY</u>	<u>Weston</u>	<u>Winchester</u>
<u>FY11</u>	\$13.24	\$13.19	\$14.40	\$12.60	\$10.90	\$17.03	\$19.35	<b>\$11.43</b>	\$11.39	\$12.10
<u>FY12</u>	\$13.35	\$13.58	\$14.97	\$13.91	\$10.95	\$17.60	\$19.01	<b>\$11.48</b>	\$12.11	\$12.55
<u>FY13</u>	\$13.33	\$14.07	\$15.20	\$14.34	\$11.30	\$17.99	\$17.89	<b>\$11.70</b>	\$12.40	\$12.77
<u>FY14</u>	\$13.50	\$14.45	\$15.51	\$14.18	\$11.64	\$18.03	\$18.33	<b>\$11.54</b>	\$12.73	\$12.66
<u>FY15</u>	\$12.90	\$14.29	\$14.86	\$13.82	\$11.29	\$17.60	\$18.39	<b>\$11.56</b>	\$12.28	\$12.14

# Mean Single Family Tax Bill History

Mean Single Family Tax Bill



	<u>Belmont</u>	<u>Concord</u>	<u>Lexington</u>	<u>Natick</u>	<u>Needham</u>	<u>Sudbury</u>	<u>Wayland</u>	<u>WELLESLEY</u>	<u>Weston</u>	<u>Winchester</u>
<u>FY11</u>	\$9,676	\$11,074	\$10,032	\$5,561	\$7,719	\$10,695	\$11,471	<b>\$11,282</b>	\$15,835	\$9,167
<u>FY12</u>	\$9,964	\$11,564	\$10,441	\$6,015	\$8,075	\$10,937	\$11,274	<b>\$11,860</b>	\$16,643	\$9,557
<u>FY13</u>	\$10,359	\$11,802	\$10,906	\$6,216	\$8,416	\$11,205	\$10,529	<b>\$12,198</b>	\$16,921	\$9,839
<u>FY 14</u>	\$10,566	\$12,249	\$11,481	\$6,459	\$8,765	\$11,544	\$10,974	<b>\$12,469</b>	\$17,832	\$10,195
<u>FY15</u>	\$10,938	\$12,890	\$12,191	\$6,630	\$9,240	\$11,598	\$12,049	<b>\$13,326</b>	\$18,059	\$10,588